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## FISCAL IMPACT REPORT

SPONSOR Lujan DATE TYPED 02/09/2005 HB 718

SHORT TITLE Public Employee Benefit Interim Committee SB \_\_\_\_\_

ANALYST Moser

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
\$100.0				Non-Recurring	Legislative

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

- Public Education Department (PED)
- Retiree Healthcare Authority (RHCA)
- Public School Insurance Authority (PSIA)
- Public Employee Retiree Authority (PERA)

### SUMMARY

#### Synopsis of Bill

House Bill 718 Public Employee Benefit Interim Legislative Committee appropriates \$100 thousand from the legislative fund to create the Employee Benefits Oversight Committee (EBOC). This will be a joint interim committee that is to meet to review the financial solvency of the retirement programs administered by PERA and the ERB, and the benefits programs administered by the retiree health care authority, the public school insurance authority and state group benefits programs. Upon LCS approval of a work plan and budget, the interim committee will examine statutes, constitutional provisions, regulations and court decisions governing the programs and their actuarial health, present and future costs, and projected funding deficits. The committee is to report its findings and recommendations to LCS by December 15. The bill carries an emergency clause.

Significant Issues

The EBOC shall examine the statutes, constitutional provisions, regulations and court decisions governing the retirement programs and benefit plans and the actuarial health of the funds supporting the programs, the present and future costs of maintaining the programs and the extent of any forecasted funding deficits

The committee shall make a report of its findings and recommendations to the NMLC by December 15 preceding the second session of the 47th legislature for its consideration.

**FISCAL IMPLICATIONS**

The appropriation of \$100 thousand contained in this bill is a non-recurring expense to the legislative fund. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the legislative cash balances.

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

HB 274, introduced on behalf of the LFC, requests an actuarial analysis of the retirement funds administered by PERA and the ERB.

**OTHER SUBSTANTIVE ISSUES**

PSIA covers all public school districts with the exception of APS, all charter schools, and certain educational entities. Since the public school support recommendation for insurance costs includes both PSIA's employee benefits as well as APS, it is suggested by PSIA that the employee benefits program of APS be included in the EBOC's oversight and study.

GM/yr/njw